

**Response by Seattle Aquarium to Requirements in Section 16 of the
Operations and Management Agreement between the
Seattle Aquarium Society and the City of Seattle
July 7, 2011**

REQUIREMENTS:

16. Planning and Reporting Obligations; Public Involvement.

16.1 Master Plan. Within 18 months after the Effective Date, SEAS shall prepare for submittal to the Superintendent a strategic plan to help guide investments in the physical development of the Aquarium ...

16.2 Annual Report to City Council Parks Committee. SEAS shall, at its sole expense, prepare an Annual Report that provides, for the preceding Fiscal Year, (a) a general summary of the Aquarium's operations; (b) a financial accounting for all funds received by SEAS for the continued operation and management of the Aquarium from all sources, by category, and lists all expenditures, including any capital investments, made at the Aquarium; (c) an analysis of the affordability of Aquarium admission fees and membership rates on middle-income families; (d) a description of the public benefits provided; and (e) an updated business plan, if any material assumptions have changed. On or before July 1st of each year throughout the Term, SEAS will provide a briefing on its Annual Report for the prior Fiscal Year to the City Council's Parks Committee or its successor committee.

RESPONSE:

In 16.1, the Agreement calls for a Strategic Plan to be submitted to the Superintendent of Parks and Recreation within 18 months of the effective date of the transition; the Strategic Plan was approved by the Aquarium's Board of Directors in May, 2011 and submitted to the Superintendent on June 30, 2011.

Consistent with 16.2, the Seattle Aquarium will be reporting to the City Council Parks and Seattle Center Committee on July 7, 2011 on the following requirements:

- (a) Annual Report (titled "Seattle Aquarium Results 2010", enclosed) which includes a general summary of the Aquarium's operations and accomplishments/results in 2010.
- (b) Financial accounting (enclosed) which is the Independent Auditors' Report for 2010.
- (c) Affordability analysis: as part of the 2011 budget, SEAS reviewed its ticket pricing relative to local peer institutions to insure it remained consistent with other organizations and not priced excessively beyond what the market can bear. While the national comparison to other aquariums was useful, the Board of Directors felt the local comparison was the more meaningful comparison. Attendance YTD is up over 2010 suggesting the pricing decision was appropriate.
- (d) Public benefits provided are specified in the Seattle Aquarium Results 2010 report.
- (e) Material assumptions have not changed so as to necessitate an updated business plan.